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Brazil

Brazil's poultry industry has grown dramatically over the past few years. Broiler production went from 2.36 million metric tons (MMT) in 1990 to 5.98 MMT in 2000. For the first 11 months of 2004, production totaled 7.62 MMT. In 2005, broiler production is forecast at 8.62 MMT. Turkey production has more than doubled since 1998. Production grew from 107,000 MT in 1998 to 220,000 MT in 2004 and is forecast at 250,000 MT in 2005.

Brazil's Poultry Production, in '000 metric tons

	1996	1998	2000	2002	2004 (p)	2005 (f)
Broiler	4,052	4,498	5,980	7,449	8,105	8,620
Turkey	n/a	107	137	182	220	250

Brazil is able to produce a competitively priced product for the world market. The poultry industry is vertically integrated and competitive in genetics, technology and marketing. Labor and feed costs are relatively low. Brazil's production costs for whole eviscerated chicken are estimated to be the lowest of any major supplier at 1.37 Real/kg (US\$0.48/kg).

Exports were strong in 2004, in part due to marketing promotions, a favorable exchange rate, and disease problems in countries that were major competitors. Much of Brazil's chicken is cut by hand rather than by machine, resulting in a better appearance.

From December 2003 to November 2004, Brazil poultry exports grew 38 percent in value and 25 percent in volume when compared to December 2002-November 2003. Brazil's focus has changed from exporting whole chickens to exporting higher value branded consumer ready products. In 1998, 51 percent of chicken exports were whole chickens, 47 percent were chicken cuts and 2 percent were processed chicken. Those percentages changed to 41 percent whole chicken, 57 percent chicken cuts and 2 percent processed by 2003.

Brazil Poultry Exports, in metric tons and '000 US\$

	November 2004		November 2003	
	US\$	MT	US\$	MT
Chicken	196,215	198,631	177,854	190,472
*Processed	8,274	3,832	9,843	4,189
Turkey	16,124	11,909	17,340	11,332
Total	220,613	214,372	205,037	205,993

	Dec 03-Nov 04		Dec 02-Nov 03	
	US\$	MT	US\$	MT
Chicken	2,404,749	2,339,837	1,665,930	1,910,686
*Processed	98,260	43,918	85,897	36,150
Turkey	204,564	129,218	143,959	107,132
Total	2,609,313	2,512,973	1,895,786	2,017,818

*Processed chicken

Brazil's top export markets for whole birds (by volume) in 1998 were Saudi Arabia, Argentina, UAE and Kuwait. For chicken cuts, the top markets were Japan, Hong Kong, Spain, Germany and Singapore.

Whole Chicken, Exports in metric tons

	2003	2002	2001	2000	1999	1998
Saudi Arabia	275	237	243	98	208	160
Kuwait	52	41	46	35	37	20
Argentina	n/a	n/a	n/a	26	45	56
Yemen	61	48	39	28	9	.5
UAE	84	66	45	26	21	21
Russia	79	129	60	14	7	16

Argentina filed dumping charges against Brazil in 1997. On July 21, 2000 anti-dumping measures were imposed for a three year period.

Chicken Cuts, Exports in metric tons

	2003	2002	2001	2000	1999	1998
Japan	179	161	124	106	97	70
Hong Kong	196	140	110	108	94	68
The Netherlands	92	64	60	36	17	8
Germany	97	80	67	30	19	16
UK	34	62	49	23	36	9
Spain	27	23	24	22	19	20
Singapore	17	11	8	20	18	13
Russia	122	167	37	7	3	.5

Brazil's exports to Russia surged in 2002 due to Russia's bans on U.S. poultry. Import licenses were halted in late February 2002 and on March 1, 2002, Russia formally banned U.S. poultry imports, citing safety concerns. The U.S. share fell from 79 percent in the first half of 2001 to 59 percent in the first half of 2002. Brazil's exports to Russia fell in 2003 after Russia imposed a quota system, limiting the volume of poultry Brazil could export to Russia.

Sources: USDA/FAS, Brazil's Ministry of Agriculture, World Trade Organization, news wires

Highly Pathogenic Avian Influenza Update

Cases of highly pathogenic avian influenza (HPAI) continue to occur in some Asian countries. Thailand and Vietnam have both reported recent occurrences of HPAI

The state of Kelantan in Pensinsular Malaysia is no longer considered an HPAI-infected zone. Culling and disinfection were completed on November 22, 2004 and no new cases have been detected since that date.

Source: OIE

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE**U.S. EXPORTS TO CANADA, IN POUNDS (000) (PRELIMINARY)**

TYPE	2004	2003 /1	2004 2/	2003
Liquid	2,320	90	20,746	17,079
Frozen	0	0	39	96
Dried	40	0	953	591
Total	2,360	90	21,738	17,766

U.S. IMPORTS FROM CANADA, IN POUNDS (000) (PRELIMINARY)

TYPE	2004	2003 /1	2004	2003
Liquid	26	36	7,715	5,207
Frozen	4	0	1,612	3,706
Dried	0	0	2,149	1,251
Total	30	36	11,476	10,164

INSPECTED SHELL EGGS**U.S. EXPORTS TO CANADA, IN 30-DOZEN CASES (PRELIMINARY)**

TYPE	2004	2003 /1	2004	2003
Jumbo	0	0	392	655
Extra Large	2,100	1,110	234,666	45,718
Large	2,320	3,055	477,943	156,562
Medium	750	1,623	142,841	68,297
Ungraded	0	0	340,611	184,952
Misc	0	0	17,740	14,222
Total	5,170	5,788	1,214,193	470,406

1/ Comparable Week, to-date figures may not total due to rounding. 2/

Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

U.S. /CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

Week Ending 01-Jan-05

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	1,345	1,287	2,632
Last Week	1,102	1,175	2,277
Same week yr ago	1,118	898	2,016
To-date/2004	70,858	70,509	141,367
To-date/2003	72,834	71,890	144,724

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
Head	127	0	127
Last Week	174	11	185
Same week yr ago	150	0	150
To-date/2004	12,617	159	12,776
To-date/2003	11,014	155	11,169

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
Head	1,472	1,287	2,759
Last Week	1,276	1,186	2,462
Same week yr ago	1,268	898	2,166
To-date/2004	83,475	70,668	154,143
To-date/2003	83,848	72,045	155,893

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Due to changes in the manufacturing processes, the 15% or less chicken category is no longer produced in significant, tradeable quantities. Effective January 7, 2005, this category will be dropped from the Central and Eastern Region Mechanically Separated Chicken reports.

Jan 14, 2005

Jan 14, 2005

CHICKEN, WITH SKIN ADDED

PRICES VOLUME
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	19.00	61,200	-
WTD AVERAGE		19.00		
15-20%				
RANGE	13.75-17.75	11.50-18.00	2,932,400	1,730,400
WTD AVERAGE	16.05	14.09		
20% OR MORE				
RANGE	-	14.00	81,600	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

CHICKEN, WITH SKIN ADDED

PRICES VOLUME
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.50	18.75-22.00	556,000	156,000
WTD AVERAGE	18.50	21.03		
15-20%				
RANGE	15.00-22.00	14.00-20.00	3,143,000	1,843,000
WTD AVERAGE	18.44	16.82		
20% OR MORE				
RANGE	-	17.50	120,000	-
WTD AVERAGE		17.50		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 14 JANUARY 2005.

The market tone was weak on fresh and frozen tom breast meat and frozen destrapped tenders, barely steady on fresh destrapped tenders. Supplies were more than adequate for the fair demand. Fresh and frozen breast trim continued steady and supplies were in close balance with demand. Fresh and frozen wing meat were barely steady at best. Fresh scapula moved at 122, and fresh breast trim at 140. A heavy volume of plant grade 4-8 lb breasts moved at 95 cents for current and future delivery and A grade 4-8 lb breasts at open prices. Export trading was moderate. Fresh thigh meat moved at 89-89.5 cents, fresh tom drums at 38, and frozen thigh meat for March shipment traded at 78 FOB.

FRIDAY, JANUARY 14, 2005**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	36.00		36.00	120	37.18	505
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS		F	21.00	120		
MECHANICALLY SEPARATED 4/	19.00		19.00	80	18.66	826
THIGH MEAT - FROZEN	86.00		86.00	120	81.39	1,296

THURSDAY, JANUARY 13, 2005**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	38.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	21.00	120
MECHANICALLY SEPARATED 2/	17.00-19.00		18.74	418
THIGH MEAT - FROZEN	78.00		78.00	208

WEDNESDAY, JANUARY 12, 2005**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	38.00		38.00	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	21.00	120
MECHANICALLY SEPARATED 2/	20.00		20.00	80
THIGH MEAT - FROZEN	86.00-87.50		86.38	160

TUESDAY, JANUARY 11, 2005**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	36.00-38.00		37.44	305
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	21.00	120
MECHANICALLY SEPARATED 2/	17.50-20.50		17.98	248
THIGH MEAT - FROZEN	80.00-86.00		80.59	808

MONDAY, JANUARY 10, 2005**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	37.75	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	21.00	120
MECHANICALLY SEPARATED 2/		F	20.00	40
THIGH MEAT - FROZEN		F	85.06	320

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.